SKYWORLD HOLDINGS SDN BHD & ORS v. SKYWORLD DEVELOPMENT SDN BHD & ANOR

FEDERAL COURT, PUTRAJAYA
NALLINI PATHMANATHAN FCJ
ZALEHA YUSOF FCJ
RHODZARIAH BUJANG FCJ
[CIVIL APPEAL NO: 02(F)-50-09-2020(W)]
8 APRIL 2022

Abstract – *For there to be an infringement of trade mark under s. 38(1) of the Trade Marks Act 1976, the impugned mark must be identical with or so nearly resembling the registered trade mark, and is likely to deceive or cause confusion to customers. In this case, although the plaintiffs were the registered owners of the 'SkyWorld' trade mark and the defendants were using the same generic name for their corporate and domain name, the defendants could not be said to have infringed the plaintiffs' registered trade mark as, except for the oral resemblance, there was no real resemblance between the two. Likewise, the trade mark that the defendants had sought to register differed visually to a great extent with that of the plaintiffs' trade mark, such that there was no likelihood of confusion or deception in the course of trade in relation to the two marks; there being no element of misrepresentation or passing off, the defendants therefore could not be said to have unlawfully interfered with the plaintiffs' trade.*

INTELLECTUAL PROPERTY: *Trade marks – Infringement – Allegation of – Whether corporate names and web domain name resembled registered trade mark – Whether audibly similar but visually different – Whether likely to deceive or cause confusion to customers – Whether element of infringement satisfied – Trade Marks Act 1976, s. 38(1)*

INTELLECTUAL PROPERTY: *Trade marks – Passing off – Allegation of – Whether there was misrepresentation and harm to products – Whether elements of confusion or deception established – Whether passing off made out*

The respondents ('plaintiffs') were involved in the business of property development and were the registered owners of the Skyworld Registered Trade Marks in Class 37. The word 'Skyworld', according to the plaintiffs, formed part of the plaintiffs' company names and it had started using the 'Skyworld' marks in 2014. In addition, the first plaintiff had applied to MyIPO to register the trade mark in Class 37. In this action, the plaintiffs claimed against the appellants ('defendants') for trade mark infringement in respect of the corporate defendants' use of the following names (i) company names – Skyworld Holdings Sdn Bhd, Skyworld Global Sdn Bhd, Skyworld (Sabah) Sdn Bhd and Skyworld City Berhad ('infringing company names');

A (ii) domain name – http://skyworldcity.net ('infringing domain name'); (iii) the name of the purported development project in Karambunai Sabah known as 'Sky World City Sabah' ('infringing project name') (the infringing company name, infringing domain name and the infringing project name collectively referred to as 'infringing names'); (iv) passing off the defendants' B business and/or activities as that of the plaintiffs' business and/or activities through the use of the infringing names; and (v) the defendants' unlawful interference with the plaintiffs' trade through the use of the infringing names. The High Court, in finding that there was no merit in the plaintiffs' claim and deciding in favour of the defendants, found that (i) as far as the trade C mark infringement claim was concerned, the use of the infringing names was not likely to deceive or confuse the public; (ii) on the issue of passing off, the plaintiffs failed to establish that the goodwill of the Skyworld names and marks were 'well-known'; (iii) that there was no likelihood of confusion arising from the use of the infringing names, it followed that the plaintiffs failed to establish the requisite element of representation under the tort of D passing off. As such, the plaintiffs' claim for unlawful interference with trade was also dismissed. The Court of Appeal, however, found that the High Court erred by, *inter alia*, (i) failing to enquire whether the use of the infringing names came within the specification of services covered by the registration of the Skyworld marks; (ii) disregarding and attaching no weight E to the evidence of actual confusion among the public adduced by the plaintiffs; and (iii) erroneously holding that a plaintiff's goodwill must be 'well-known' to sustain an action in passing off. Hence, the Court of Appeal found the defendants liable for trade mark infringement, reasoning that in an action for trade mark infringement, it was not necessary to establish that the F infringing mark was identical with the registered trade mark. The Court of Appeal observed that the corporate defendants' business activities, namely property development and/or construction of real property, fell within the scope of the specifications of services of the Skyworld marks. Accordingly, the Court of Appeal set aside the whole of the High Court's decision and G allowed the plaintiffs' claims. This court allowed the defendants' application for leave to appeal on the following questions of law (i) whether the use of generic words which formed part of a company, corporate, trade of domain name, which such words were also comprised as part of registered trade mark of another party (but which were not registered as a word mark or disclaimed), was deemed to be an infringement of such registered trade mark H ('question 1'); (ii) if so, what is the definition of 'allied field' for the purpose of determining whether such usage in relation to passing off action is to be considered an act of passing off ('question 2'); and (iii) what is the definition of 'engaging in a business of an allied field' which would amount to a misrepresentation in relation to a passing off action, where one party has I generic words which form part of their company, corporate, trade or domain name, and such words are also comprised as part of a registered trade mark or company name of another party ('question 3').

Held (allowing appeal with costs)
Per Zaleha Yusof FCJ delivering the judgment of the court:

(1) The purported infringement was not caused by the defendants' use of the offending mark in their products or business; but instead in their corresponding names. The plaintiffs alleged that the defendants' corporate names and web domain name were infringing, as they resembled the plaintiffs' registered trade mark to the extent that it was likely to deceive or cause confusion to the customer. Even though the High Court found the defendants' corporate name and domain name with the plaintiffs' registered trade marks arising from the word 'Skyworld' audibly similar, principally he found that visually they were different; because the defendants' corporate names in their business documents as well as their website domain name used the word 'Skyworld' either wholly in uppercase or lowercase but not in mixed uppercase and lowercase as in the plaintiffs'). Whether there is similarity in the marks audibly and visually, is a finding of fact. It is trite that an appellate court rarely intervenes or reverses a trial judge's findings of fact unless it can be shown that the trial judge is plainly wrong or his findings are unjust because of a serious procedural or other irregularity in the proceedings in the lower court. (paras 36, 38 & 39)

(2) The plaintiff placed great emphasis on the fact that the Court of Appeal had found there were similarities or resemblance not only aurally, but also visually on the corresponding marks. But where was the reason of the Court of Appeal to come to such conclusion that visually they resembled each other? The burden of proof was on the plaintiffs but this was not discharged. The High Court Judge had vividly explained the reasons why he reached the finding that there was no similarity or resemblances between the defendants' corporate name and domain name and the plaintiffs' registered trade marks. The Court of Appeal erred when it reversed the findings and the decision of the High Court and substituted those findings with their own. This was not a harmless error as the findings of the Court of Appeal were not supported by any reasons or adequate reasons. (para 40)

(3) This court was satisfied that for infringement under s. 38(1) of the Trade Marks Act 1976 ('Trade Marks Act'), the High Court was correct to conclude that apart from an oral resemblance between the registered trademark and the corporate and domain name, there was no real resemblance. Sub-section 38(1) of the Trade Marks Act requires that a mark must be identical with or so nearly resembling the registered mark, in order to satisfy the element of infringement. (para 41)

(4) As for the elements of confusion or deception, this court was not convinced that the trial judge was plainly wrong in refusing to consider the two emails adduced by the plaintiffs, from an evidential point of view, by one Gopal and one John Smith, in attempting to show that the

public was actually confused. Even if those emails were taken into evidence, they did not comprise adequate evidence of confusion, far less deception because they were merely queries by unidentified persons. The need for the presence of the maker was because it was difficult for the court to verify the authenticity of the writer or his complaint or query. As they were mere queries, could it be said that this amounted to confusion? It must be borne in mind that the test required the average discerning customer to be confused, not as a 'moron in a hurry'. This was particularly so where these entities dealt with the purchase of land which could not be equated with purchasing cosmetics or items from a grocery store. Therefore, the element of confusion was not easily established and was not present in this case. The trial judge was not plainly wrong in his conclusion. Whether there was confusion or deception, was entirely a matter for the judgment of the court and not that of the witnesses, after considering the evidence of surrounding circumstances. It is always a question of fact to be determined by the court. (paras 42-44)

(5) Even though the law is quite settled that there could still be infringement even if the business carried out by a defendant is not a related business, the Court of Appeal was incorrect in reversing the finding and arriving at a conclusion of infringement. The decision of the High Court was correct that there was no trade mark infringement as the trade marks were not identical or so nearly resembling each other, as they differed visually to a great extent. There was no likelihood of confusion or deception in the course of trade in relation to the marks. (para 45)

(6) Passing off arises when there is misrepresentation and harm to a plaintiff's existing product. Misrepresentation will definitely create confusion or deception. It followed that as neither the elements of confusion or deception were established, passing off was also not made out. Therefore, question 1 was answered in the negative. There was no necessity to answer questions 2 and 3 as those questions were only relevant if the answer to question 1 was in the affirmative. This court declined to answer questions 2 and 3. (paras 46 & 47)

Bahasa Melayu *Headnotes*

Responden-responden ('plaintif-plaintif') terlibat dalam perniagaan pembangunan hartanah dan adalah pemilik berdaftar Skyworld Registered Trade Marks dalam Kelas 37. Perkataan 'Skyworld', menurut plaintif-plaintif, adalah sebahagian nama syarikat plaintif yang mula menggunakan cap 'Skyworld' pada tahun 2014. Sebagai tambahan, plaintif pertama telah memohon pada MyIPO untuk mendaftarkan cap dagangan dalam Kelas 37. Dalam tindakan ini, plaintif menuntut terhadap perayu ('defendan') atas pelanggaran cap dagangan berkenaan dengan penggunaan defendan korporat atas nama syarikat berikut (i) – Skyworld Holdings Sdn Bhd, Skyworld Global Sdn Bhd, Skyworld (Sabah) Sdn Bhd dan Skyworld City Berhad

('nama-nama syarikat yang melanggar'); (ii) nama domain – http:// skyworldcity.net ('nama domain yang melanggar'); (iii) nama projek pembangunan di Karambunai Sabah yang dikenali sebagai 'Sky World City Sabah' ('nama projek yang melanggar') (nama syarikat yang melanggar, nama domain yang melanggar dan nama projek yang melanggar secara kolektif disebut sebagai 'nama-nama yang melanggar'); (iv) kelirupaan perdagangan/ atau aktiviti-aktiviti defendan seperti perniagaan dan/atau aktiviti plaintif melalui penggunaan nama yang melanggar; dan (v) campur tangan defendan secara tidak sah terhadap perdagangan plaintif melalui penggunaan nama yang melanggar. Mahkamah Tinggi, apabila mendapati bahawa tiada merit dalam tuntutan plaintif dan memutuskan untuk menyokong defendan, mendapati bahawa (i) setakat yang berkaitan dengan tuntutan pelanggaran cap dagangan, penggunaan nama yang melanggar tidak berkemungkinan menipu atau mengelirukan orang ramai; (ii) mengenai isu kelirupaan, plaintif gagal membuktikan bahawa nama baik dan cap Skyworld 'terkenal'; (iii) bahawa tiada kemungkinan kekeliruan yang timbul daripada penggunaan nama yang melanggar, diikuti bahawa plaintif gagal mewujudkan elemen representasi yang diperlukan bawah tort kelirupaan. Oleh itu, tuntutan plaintif untuk campur tangan dalam perdagangan secara tidak sah juga ditolak. Mahkamah Rayuan, bagaimanapun, mendapati bahawa Mahkamah Tinggi terkhilaf kerana, antara lain, (i) gagal membuat pertanyaan sama ada penggunaan nama yang melanggar itu terdapat dalam spesifikasi perkhidmatan yang diliputi oleh pendaftaran cap Skyworld; (ii) mengabaikan dan tidak menghiraukan bukti kekeliruan sebenar dalam kalangan orang ramai yang ditimbulkan oleh plaintif; dan (iii) secara salah menyatakan bahawa nama baik plaintif mesti 'terkenal' untuk mempertahankan tindakan kelirupaan. Oleh itu, Mahkamah Rayuan mendapati defendan bertanggungjawab atas pelanggaran cap dagangan, dengan alasan bahawa dalam tindakan pelanggaran cap dagangan, tidak perlu membuktikan bahawa cap pelanggaran itu sama dengan cap dagangan yang didaftarkan. Mahkamah Rayuan memerhatikan bahawa aktiviti perniagaan defendan korporat, iaitu pembangunan hartanah dan/atau pembinaan hartanah, termasuk dalam ruang lingkup spesifikasi perkhidmatan cap Skyworld. Oleh itu, Mahkamah Rayuan mengetepikan keseluruhan keputusan Mahkamah Tinggi dan membenarkan tuntutan plaintif. Mahkamah ini membenarkan permohonan defendan untuk merayu atas persoalan undang-undang berikut (i) sama ada penggunaan kata-kata umum yang membentuk sebahagian syarikat, korporat, nama domain perdagangan, yang mana kata-kata tersebut juga termasuk sebahagian daripada cap dagang berdaftar pihak lain (tetapi yang tidak didaftarkan sebagai cap kata atau penafian), dianggap sebagai pelanggaran cap dagangan berdaftar tersebut ('soalan 1'); (ii) jika demikian, apakah definisi 'bidang sekutu' untuk tujuan menentukan sama ada penggunaan tersebut berkaitan dengan tindakan kelirupaan harus dianggap sebagai tindakan kelirupaan ('soalan 2'); dan (iii) apakah definisi 'melibatkan diri dalam perniagaan bidang sekutu' yang akan dianggap sebagai misrepresentasi salah sehubungan dengan tindakan kelirupaan, iaitu satu pihak mempunyai kata-kata umum

A yang menjadi sebahagian daripada nama syarikat, korporat, perdagangan atau domain mereka, dan kata-kata tersebut juga terdiri sebagai sebahagian daripada cap dagangan berdaftar atau nama syarikat pihak lain ('soalan 3').

Diputuskan (membenarkan rayuan dengan kos)
Oleh Zaleha Yusof HMP menyampaikan penghakiman mahkamah:

B

(1) Pelanggaran yang didakwa bukan disebabkan oleh penggunaan cap yang dipertikaikan oleh defendan dalam produk atau perniagaan mereka; tetapi sebaliknya dalam nama yang sepadan. Plaintif mendakwa bahawa nama korporat dan nama domain web defendan adalah melanggar, kerana menyerupai cap dagangan berdaftar plaintif sehingga C berkemungkinan memperdaya atau menyebabkan kekeliruan kepada pelanggan. Walaupun Hakim Mahkamah Tinggi mendapati nama korporat dan nama domain defendan dengan cap dagangan berdaftar plaintif yang timbul daripada perkataan 'Skyworld' mempunyai bunyi yang sama, pada dasarnya beliau mendapati secara visual, itu berbeza; D kerana nama korporat defendan dalam dokumen perniagaan mereka serta nama domain laman web mereka menggunakan perkataan 'Skyworld' sama ada sepenuhnya dalam huruf besar atau kecil tetapi tidak dalam campuran huruf besar dan kecil seperti plaintif. Sama ada terdapat persamaan dalam cap secara pendengaran dan visual, adalah E penemuan fakta. Menjadi kebiasaan bahawa Mahkamah Rayuan jarang campur tangan atau mengakas penemuan fakta hakim bicara kecuali jika dapat ditunjukkan bahawa hakim bicara jelas salah atau keputusannya tidak adil kerana prosedur yang serius atau penyelewengan lain dalam prosiding di mahkamah rendah.

F

(2) Plaintif memberikan penekanan yang besar pada kenyataan bahawa Mahkamah Rayuan mendapati terdapat persamaan atau kemiripan bukan hanya secara aural, tetapi juga secara visual pada cap yang sepadan. Tetapi apakah alasan Mahkamah Rayuan membuat kesimpulan sedemikian sehingga secara visual mereka menyerupai satu sama lain? G Beban bukti ada pada plaintif tetapi ini tidak dilunaskan. Hakim Mahkamah Tinggi telah menjelaskan dengan jelas alasan mengapa beliau mencapai dapatan bahawa tidak ada persamaan antara nama korporat dan nama domain defendan dan cap perdagangan berdaftar plaintif. Mahkamah Rayuan terkeliru apabila mengakas dapatan dan keputusan H Mahkamah Tinggi dan menggantikan dapatan tersebut dengan keputusan mereka sendiri. Ini bukan kesalahan yang tidak berbahaya kerana dapatan Mahkamah Rayuan tidak disokong oleh apa-apa alasan atau alasan yang mencukupi.

(3) Mahkamah ini berpuas hati bahawa untuk pelanggaran bawah s. 38(1) I Akta Cap Dagangan 1976 ('Akta Cap Dagangan'), Mahkamah Tinggi betul apabila mencapai kesimpulan bahawa selain daripada persamaan secara lisan antara cap dagangan berdaftar dan nama korporat dan

domain, tidak ada persamaan sebenar. Sub-seksyen 38(1) Akta Cap Dagangan menghendaki sesuatu cap mestilah sama dengan atau lebih hampir menyerupai cap berdaftar, untuk memenuhi unsur pelanggaran.

(4) Bagi unsur-unsur kekeliruan atau penipuan, mahkamah ini tidak yakin bahawa hakim bicara jelas salah apabila menolak untuk mempertimbangkan dua e-mel yang dikemukakan oleh plaintif, dari sudut pandangan keterangan, oleh seorang bernama Gopal dan seorang bernama John Smith, dalam cubaan untuk menunjukkan bahawa orang ramai sebenarnya keliru. Walaupun e-mel tersebut diambil sebagai bukti, ini tidak mengandungi bukti kekeliruan yang mencukupi, lebih-lebih lagi penipuan kerana ini hanyalah pertanyaan oleh orang yang tidak dikenali. Keperluan kehadiran pembuat adalah kerana agak sukar bagi mahkamah untuk mengesahkan kesahihan penulis atau aduan atau pertanyaannya. Oleh kerana itu hanya pertanyaan, bolehkah dikatakan bahawa ini menimbulkan kekeliruan? Perlu diingat bahawa ujian memerlukan pelanggan yang rata-rata arif untuk keliru, bukan seorang yang mudah terkeliru. Ini berlaku terutamanya apabila entiti ini berurusan dengan pembelian tanah yang tidak dapat disamakan dengan pembelian kosmetik atau barang kedai runcit. Oleh itu, unsur kekeliruan tidak dapat dibentuk dengan mudah dan tidak terdapat dalam kes ini. Hakim bicara tidak terkhilaf dalam kesimpulan beliau. Sama ada terdapat kekeliruan atau penipuan adalah untuk penghakiman mahkamah sepenuhnya dan bukan saksi, setelah mempertimbangkan bukti keadaan sekeliling. Selalunya, ini adalah persoalan fakta yang ditentukan oleh mahkamah.

(5) Walaupun undang-undang cukup jelas bahawa masih ada pelanggaran walaupun perniagaan yang dilakukan oleh defendan bukanlah perniagaan yang berkaitan, Mahkamah Rayuan khilaf apabila mengakas dapatan dan kesimpulan pelanggaran. Keputusan Mahkamah Tinggi adalah betul bahawa tidak ada pelanggaran cap dagangan kerana cap dagangan tidak sama atau hampir menyerupai satu sama lain, kerana kedua-duanya berbeza secara visual. Tidak ada kemungkinan kekeliruan atau penipuan dalam perjalanan perdagangan berkaitan dengan cap.

(6) Kelirupaan timbul apabila terdapat misrepresentasi dan membahayakan produk plaintif yang sedia ada. Misrepresentasi pasti akan menimbulkan kekeliruan atau penipuan. Oleh itu, tidak ada unsur-unsur kekeliruan atau penipuan yang terbentuk, maka kelirupaan juga tidak dibuktikan. Oleh itu, soalan 1 dijawab secara negatif. Tiada keperluan untuk menjawab soalan 2 dan 3 kerana soalan-soalan tersebut hanya relevan jika jawapan untuk soalan 1 dijawab secara afirmatif. Mahkamah ini menolak untuk menjawab soalan 2 dan 3.

Case(s) referred to:

Aspect Synergy Sdn Bhd v. Banyan Tree Holdings Ltd [2009] 8 CLJ 97 HC ***(refd)***
Consitex SA v. TCL Marketing Sdn Bhd [2008] 8 CLJ 444 HC ***(refd)***
Low Chi Yong v. Low Chi Hong & Anor [2018] 1 CLJ 287 FC ***(refd)***

A *McCurry Restaurant (KL) Sdn Bhd v. McDonald's Corporation [2009] 3 CLJ 540 CA* ***(refd)***
Ng Hoo Kui & Anor v. Wendy Tan Lee Peng, Administrator Of The Estates Of Tan Ewe Kwang, Deceased & Ors [2020] 10 CLJ 1 FC ***(refd)***
Re Pianotist Co's Application (1906) 23 RPC ***(refd)***
Reckitt & Colman Products Ltd v. Borden Inc And Others [1990] IAU R 877 ***(refd)***
B *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 SC* ***(refd)***
Yong Sze Fu & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2011] 1 LNS 1307 CA ***(refd)***
Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd [2012] 6 CLJ 337 FC ***(refd)***

C **Legislation referred to:**
Trade Marks Act 1976, s. 38

For the appellants - Ghazi Ishak, Ong Kheng Leong & Mahathir Abdullah; M/s Mahathir
For the respondents - Teo Bong Kwang, Eugene Ee Fu Xiang & Wong Chee Wai; M/s Chang Haryaty

D *[Editor's note: For the Court of Appeal judgment, please see Skyworld Development Sdn Bhd & Anor v. Skyworld Holdings Sdn Bhd & Ors [2020] 1 LNS 48 (overruled); For the High Court judgment, please see [2019] 1 LNS 157 (affirmed).]*

Reported by Suhainah Wahiduddin

E

JUDGMENT

Zaleha Yusof FCJ:

Introduction

F **[1]** This court, on 7 September 2020, allowed the application for leave to appeal the following questions of law to the appellants based on:

Question 1

Whether the use of generic words which form part of a company, corporate, trade of domain name, which such words are also comprised as part of registered trade mark of another party (but which are not registered as a word mark or disclaimed), is deemed to be an infringement of such registered trade mark?

G

Question 2

H If so, what is the definition of "allied field" for the purpose of determining whether such usage in relation to passing off action is to be considered an act of passing off?

Question 3

I What is the definition of "engaging in a business of an allied field" which would amount to a misrepresentation in relation to a passing off action, where one party has generic words which form part of their company, corporate, trade or domain name, and such words are also comprised as part of a registered trade mark or company name of another party?

[2] For convenience, parties will be referred to as they were at the High Court.

[3] The appellants were the defendants at the High Court and the respondents were the plaintiffs.

Background Facts

[4] The salient facts can be found in the grounds of judgment of both the High Court as well as the Court of Appeal and the respective submissions of the parties, which we shall reproduce below with modification.

[5] The plaintiffs are involved in the business of property development. The first to fourth defendants are connected and affiliated companies, involved in businesses relating to real estate activities, project development, retail sale of construction materials and even tourism. The fifth and sixth defendants are the only directors and shareholders of the corporate defendants.

[6] The plaintiffs are the registered owners of the SkyWorld registered trade marks in class 37 as follows:

SkyWorld
design the experience

SkyWorld
design the experience
世天集团

[7] The word "SkyWorld" according to the plaintiffs forms part of the plaintiffs' company names and the plaintiffs had started using the "SkyWorld" marks in 2014. In addition, the first plaintiff had on 13 July 2017 applied to MyIPO to register the following trademark in class 37:

SkyWorld
" TRANSFORMING C TIES "

[8] That notwithstanding, the fifth defendant had on 23 April 2018 also applied to MyIPO to register the following mark in classes 9, 16, 28, 35, 36, 38, 41, 42, 43 and 44:

("Defendants' 'S' Trade Mark")

[9] In this action, the plaintiffs claim against the defendants for:

(i) trade mark infringement in respect of the corporate defendants' use of the following names:

(a) company names – Skyworld Holdings Sdn Bhd; Skyworld Global Sdn Bhd, Skyworld (Sabah) Sdn Bhd And SkyWorld City Berhad (collectively, 'infringing company names');

(b) domain name – http://skyworldcity.net ('infringing domain name'); and

(c) the name of the purported development project in Karambunai, Sabah known as 'Sky World City Sabah', which was not approved by the relevant authorities ('infringing project name').

(the infringing company name, the infringing domain name and the infringing project name shall collectively be referred as 'infringing names');

(ii) passing off the defendants' business and/or activities as that of the plaintiffs' business and/or activities through the use of the infringing names; and

(iii) the defendants' unlawful interference with the plaintiffs' trade through the use of the infringing names.

[10] After hearing the witnesses and submissions of the parties, the learned High Court Judge found there was no merit in the plaintiffs' claim, hence deciding in favour of the defendant. The learned High Court Judge found that as far as the trademark infringement claim was concerned, the use of the infringing names was not likely to deceive or confuse the public. On the issue of passing off, it was the finding of the learned High Court Judge that the plaintiffs had failed to establish that the goodwill of the SkyWorld names and marks are "well known". Also, since he found that there was no likelihood of confusion arising from the use of the infringing names, it follows that the plaintiffs had failed to establish the requisite element of misrepresentation under the tort of passing off.

[11] As such, the plaintiffs' claim for unlawful interference with trade was also dismissed.

[12] On appeal to the Court of Appeal, the Court of Appeal had, after scrutinising the appeal records and submissions of the parties, confined the issue before it to a question of whether the corporate defendants' name which resembles the plaintiffs' trademarks could be held liable for trademark infringement in respect of the use of the SkyWorld registered trademarks as part of their company name.

[13] The Court of Appeal found the High Court Judge erred by among others:

(i) erroneously conducting a microscopic comparison of the minute differences between the competing marks, specifically whether the infringing names are used in the uppercase or lowercase – when deciding on the issue of confusion;

(ii) failing to enquire whether the use of the infringing names came within the specification of services covered by the registration of the SkyWorld marks;

(iii) disregarding and attaching no weight to the evidence of actual confusion among the public adduced by the plaintiffs;

(iv) failing to appreciate that the defendants have used the infringing names to prey on unsuspecting investors to invest in a project that was not approved by the relevant authorities;

(v) failing to appreciate that the plaintiffs' claim for passing off is not only confined to the SkyWorld company names; and

(vi) erroneously holding that a plaintiff's goodwill must be 'well known' to sustain an action in passing off.

[14] Hence, the Court of Appeal found the defendants liable for trademark infringement, reasoning that in an action for trademark infringement, it is not necessary to establish that the infringing mark is identical with the registered mark.

[15] The Court of Appeal observed that the corporate defendants' business activities, namely property development and/or construction of real property, falls within the scope of the specifications of services of the SkyWorld marks.

[16] Accordingly, the Court of Appeal unanimously set aside the whole of the High Court's decision and allowed the plaintiffs' claims.

Our Decision

Infringement Of Trade Mark And Passing Off

[17] In Malaysia, statutorily what tantamount to infringement of a trade mark is stipulated by s. 38 of the Trade Marks Act 1976 (Act 175) as follows:

> **Section 38 Infringement of a Trade Mark**
>
> (1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the

course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner ad to render the use of the mark likely to be taken either:

(a) As being use as a trade mark;

(b) in case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right wither as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; or

(c) in a case on which the use is use at or near the place where the services area available or performed or in an advertising circular of other advertisement issued to the public, as importing a reference to a person having a right wither as registered proprietor or a registered user to use the trade mark or to services with the provision of which the person is connected in the course of trade.

(2) (Deleted by Act A1078).

[18] This provision of s. 38 was explained by the High Court in the illustrious case of *Aspect Synergy Sdn Bhd v. Banyan Tree Holdings Ltd* [2009] 8 CLJ 97; [2008] MLJU 110, wherein the learned High Court Judge by referring to the case of *Consitex SA v. TCL Marketing Sdn Bhd* [2008] 8 CLJ 444; [2008] 3 MLJ 574 as follows:

> Based on s. 38 of the Act, to establish an action for trade mark infringement, the plaintiff would need to establish the following ingredients:
>
> (a) the defendant used a mark identical with or nearly resembling the registered trade mark as is likely to deceive or cause confusion;
>
> (b) the defendant is not authorized or licensed to use the registered trade mark;
>
> (c) the defendant is using the offending trade mark in the course of trade;
>
> (d) the defendant is using the offending trade mark in relation to goods in respect of which the trade mark is registered;
>
> (e) the defendant uses the mark in such a manner as to render the use of the mark likely to be taken as being used as a trade mark

[19] In *Low Chi Yong v. Low Chi Hong & Anor* [2018] 1 CLJ 287; [2018] 1 MLJ 175, this court stated that to successfully establish an action for the infringement of a trademark, the appellant in that case needs to establish that the respondents have infringed s. 38 which sets out the meaning of an infringement of trademark and the circumstances when the infringement has taken place.

[20] At para. [37] of the judgment Suriyadi, FCJ said the following: A

(37) Under s. 38 of the TMA 1976 the appellant needs to establish the following ingredients, *inter alia*:

(i) the respondent used a mark identical with or so nearly resembling the trademark as is likely to deceive or cause confusion; B

(ii) the respondent is not the registered proprietor or the registered user of the trademark;

(iii) the respondent was using the offending trademark in the course of trade;

(iv) the respondent was using the offending trademark in relation to goods or services within the scope of the registration; and C

(v) the respondent used the offending mark in such a manner as to render the use likely to be taken either as being use as a trademark or as importing a reference to the registered proprietor or the registered user or to their goods or services. D

[21] While the law of trade marks in Malaysia is governed by Act 175, the law of passing off is very much rooted in the common law. In *Reckitt & Colman Products Ltd v. Borden Inc And Others* [1990] IAU R 877, the House of Lords through Lord Oliver of Aylmerton has stated at p. 880 the following elements to prove passing off: E

The law of passing off can be summarised in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached F to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must G demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For H example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Third, he must demonstrate that he suffers or, in a *quia timet* action, that he is likely to suffer damage by reason of the erroneous I belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.

[22] In short, in order to prove passing off, the plaintiffs must establish:

(i) goodwill or reputation attached to his goods or services (goodwill or reputation);

(ii) the plaintiffs must prove that a misrepresentation is done by the defendants (misrepresentation); and

(iii) the plaintiffs must also prove that he has suffered a loss due to the defendants' misrepresentation (damage).

[23] See also *Yong Sze Fu & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2011] 1 LNS 1307; [2012] 1 MLJ 585.

[24] Upon scrutinising the grounds of judgment of the learned High Court Judge, we found that on this issue of infringement, the learned High Court Judge has explained extensively in paras. 28 to 38 of his grounds of judgment as to why in His Lordship's opinion there was no violation of s. 38 of the Act 175. After citing the cases of *Consitex SA (supra)* and *Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd* [2012] 6 CLJ 337; [2012] 6 MLJ 609, the learned High Court Judge opined:

> (31) From the MyIPO certificates of registration, it cannot be disputed that the Plaintiffs' Registered Trade Marks are composite marks. One of them is a stylish verbal mark visually comprising of the word SkyWorld (specifically with the letters "s" and "w" spelt in uppercase letter) with a stroke underneath the word "sky" together with the phrase "design the experience". The other one of them has the same characteristics but with additional four Chinese characters underneath the phrase "design the experience".
>
> (32) I hence find and hold that they are not registered as word marks contrary to that as claimed by SP2.
>
> (33) It is common ground that there is no dispute in respect of the Plaintiffs' Registered Trade Marks and the Defendants' 'S' Trade Mark. There is no resemblance between them whatsoever. The principal similarity is in the Defendants' corporate name and domain name and the Plaintiffs' Registered Trade Marks arising from the word "skyworld" audibly. In other words, the Plaintiffs are contending that the offending or infringing marks are the Defendants' corporate name and domain name. On close and careful scrutiny, I nonetheless see that they are visually different because the Defendants' corporate name in their business documents as well as their web site domain name used the word "sky world" either wholly in uppercase or lowercase but not in mixed uppercase and lowercase as in the Plaintiffs' Registered Trade Marks. I observed that the Plaintiffs' Registered Trade Marks are nor registered as word marks which might have otherwise conferred monopoly on them on the "skyworld". In fact, I am of the further view from the evidence adduced by the Plaintiffs in their projects advertisement that the dominant mark in the Trade Names used by them is the (*sic*) only the word "Sky" with a wavy underline beneath it as seen in all their project names SkyArena, SkyAwani, etc.

(34) The ascertainment as to whether there has been the likelihood of deception or confusion is fact sensitive depending on the (*sic*) all the circumstances of each case. There were numerous case authorities put forth before me by the parties in advancement of their respective positions. Ultimately on my reading of them, I discern that it centres on the degree of similarness as well as the associated business usage of the marks especially the consumer knowledge and association with them ...

[25] He further stated at paras. 37 and 38:

(37) Apart for the degree of resemblance of the marks, it is also necessary, if not also crucial, as seen from the aforementioned cases to consider the business activity of the parties in determining whether the average discerning consumer could be misled by associating one with the other. The Plaintiffs here particularly the First Plaintiff is basically involved in the business of real estate property development. From the documentary evidence produced by the Plaintiffs, I find that they develop residential properties primarily in the Klang Valley, West Malaysia for sale to the public pursuant to the Housing Development Act 1966. The Plaintiffs' Registered Trade marks are also hence registered in class 37 accordingly. The Defendants on the other hand are involved in the business of tourism and is presently embarking on its maiden SkyWorld City project in Karambunai, Sabah, East Malaysia. Again, from the documentary evidence of (*sic*) produced by the Defendants, I find that the Sky World City project is a tourism theme park project. It has been described by the Defendants as "a universal theme park that features replicas of landmarks and iconic buildings form countries around the globe. Visitors will be able to relive their travel experiences through each individual pavilions". Notwithstanding that there are residential accommodation buildings planned to be built in the Sky World City project, I find that they are probably hotels to accommodate the tourists but not buildings for sale to the public. Hence, the Fifth Defendant applied to MyIPO for the registration of the Defendants' 'S' Trade mark in various classes but not in class 37. It can therefore be concluded that the prospective customers of the Plaintiffs and Defendants amongst the public at large are not likely to be deceived or confused by reason of the stark difference on the business of the respective parties. Simply put, the imperfect recollection to these customers is neither relevant nor cogent here as for (*sic*) as the Trade Name is concerned. Likewise, it was found that there was no confusion in the case of *Aspect Synergy Sdn. Bhd. v Banyan Tree Holdings Ltd.* (*supra*) because the characteristics of purchases of residential units there were different. The cases of *Sinma Medical Products (M) Sdn. Bhd. v. Yomeishu Seizo CO. Ltd.* (*supra*) and *Trinity Group Sdn. Bhd. v Trinity Corporation Berhad* [2012] 1 LNS 929 amongst several others relied by the Plaintiffs are hence distinguished on the facts particularly because the parties were competing in the same business and marketplace.

(38) In the circumstances, I am satisfied and accordingly find that the Defendants' corporate name and domain name as used in connection with the Sky World City project are unlikely to deceive and cause confusion in the course of trade in which the Plaintiffs' Registered Trade Marks are registered.

[26] The learned High Court Judge also found that the plaintiffs have not proved the tort of passing off against the defendants. This finding was explained by His Lordship in paras. 42 and 43 of his grounds of judgment thus:

> (42) It is therefore firstly necessary to determine whether the Plaintiffs here have established sufficient reputation or goodwill that is known to the public. This is a matter of fact that has been to be substantiated by cogent evidence.
>
> (43) From both the oral and documentary evidence adduced by the parties, I find that the First Plaintiff has used the Trade Name and Plaintiffs' Registered Trade Marks in their development projects in the Klang valley. I am further satisfied that the First Plaintiff expended time, efforts and money amounting to several million Ringgit to promote its development projects through using The Trade name through dedicated websites, social media platforms, newspapers, promotional leaflets and pamphlets, etc. The Trade Names was also displayed on signage and billboard at the Plaintiffs' property galleries. These promotional efforts seem sufficient to confer the requisite reputation and goodwill based on the cases of *Compagnie Generale Des Eaux v. Compagnie Generale Des Eaux Sdn. Bhd.* (*supra*) and *Portcullis Trustnet (Singapore) Pte. Ltd. v. George Pathmanathan a/l Micheal Gandhi Nathan & Ors* [2017] MLJU 223. In addition, I observed that this has also not been seriously challenged by the Defendants save that it would only reside with the Plaintiffs' Registered Trade marks but not the Trade name.

[27] After quoting the case of *McCurry Restaurant (KL) Sdn Bhd v. McDonald's Corporation* [2009] 3 CLJ 540; [2009] 3 MLJ 774 on misrepresentation, His Lordship further stated:

> (45) The relevant facts relating to misrepresentation here are in my opinion generally not different from that of the likelihood of causing deception or confusion in respect of trade mark infringement. I hence reiterate my findings in paragraphs 35 to 38 above particularly that the parties here in fact carried on different types of business. In *Mun Loong Co Sdn Bhd v. Chai Tuck Kin* (*supra*). Mohamed Azmi J (later SCJ) held as follows:
>
> > But where the defendant carries on different type of business from that of the plaintiff, I am of the view that it must be shown by the plaintiff that the defendant has done something to deceive. Unless he is guilty of some kind of fraud or deception, by representing his business as that of the plaintiff, or mislead the public into believing that it is that of the plaintiff, then depending on the particular facts of each case, a passing-off action will invariably fail.
>
> (46) Moreover, I observed that the Plaintiff's reputation must be well established too as set out in *Tong Guan Food Products Pte. Ltd. v Hoe Huat Hng Foodstuff Pte. Ltd.* (*supra*). Yong Pung How CJ held as follows in the *Tong Guan* case:

> The appellant must also show that the get-up is well known in connection with the business, *ie*, the reputation of the get-up must be established. The appellant must prove that the mark, name or other indicia on which it relies is well known in connection with a business in which it has goodwill, or with goods, connected with the business, and is distinctive of those goods of that business.

The Plaintiffs particularly the First Plaintiff as property developers have only launched their maiden project in 2014. The rest of their projects were subsequently launched later. They therefore only have a short corporate history. As the result, I am not satisfied that the Plaintiffs have acquired such well known reputation or goodwill which is connected with their property development business; hence making the Trade Name likely to be used by the Defendants to misrepresent as the Plaintiffs' name to derive a commercial benefit by riding on the Trade Name as happened in the care of *The Eastern Photographic Materials Company Ltd. v The John Griffiths Cycle Corporation Ltd. and the Kodak Cycle Company Ltd.* (1898) 15 RPC 105. The Plaintiffs' Trade name is by comparison presently not anywhere close to those of established Malaysian property development trade names such as Mah Sing, SP Setia, Sunway, etc.

(47) Premised on the above, I find that the Plaintiffs have not established that there has been misrepresentation by the Defendants.

(48) Thirdly and in the absence of proof of misrepresentation, there is no (*sic*) therefore no damages suffered by the Plaintiffs since there is no misappropriation of goodwill or reputation by the Defendants following *Lego System A/S v. Lego M. Lemelstrich Ltd.* [1983] FSR 155.

[28] The Court of Appeal however, disagreed with the learned High Court Judge on the issue of trademark infringement. This is particularly reflected in paras. 64 to 66, 71, 73, 74, 80 and 81 of the Court of Appeal's grounds of judgment which we reproduce as follows:

(64) However, we were of the view that the learned judge has erred in law as it is trite that the plaintiff in an infringement action is not required to establish that the infringing mark is identical. It would suffice of the Plaintiffs to establish that the infringing mark so nearly resembles the registered trade mark as is likely to deceive or cause confusion (*Tohtonku Sdn. Bhd. v. Superace (M) Sdn. Bhd.* [1992] 2 MLJ 63, SC at 65). For the purpose of ascertaining whether there is a likelihood of confusion between two competing marks, other features (if any) outside the actual trade mark used by the defendants should not be taken into account (*Saville Perfumery Ltd. v. June Perfect Ltd.* [1941] 58 RPC 147, CA at 161). We agreed with the Plaintiffs that the learned judge should not be drawn into conducting a microscopic comparison of the minute differences between the competing marks, namely, whether the Corporate Defendants'marks/ words are used in uppercase or lowercase (*Hu Kim Ai (berniaga sebagai Geneve Timepiece) and Anor v. Liew Yew Thoong (berniaga sebagai Crystal Hour)* [2005] MLJU 389 at page 4).

A (65) By the given facts, we were of the view that the 1st Plaintiffs had established paragraphs (a), (b) and (c) of s. 38 TMA. We were also of the view that the use of the infringing names by the Corporate Defendants is likely to cause confusion or deception as the infringing names are aurally and visually similar to the SkyWorld Registered Trade Marks. The Corporate Defendants have used the infringing names as a trade mark in
B the course of their trade as defined under Sections 3(1) and 3(2) of the TMA.

(66) It is not disputed that the infringing names incorporate the essential feature of the SkyWorld Registered Trade Marks, namely "SkyWorld". It is also not disputed that the Corporate Defendants are neither the
C registered proprietors nor the registered users of the SkyWorld Registered Trade Marks. We found the learned judge erred in not enquiring whether the use of the infringing names and Marks comes within the specification of services covered by the SkyWolrd Registered Trade Marks, *inter alia*, "real estate development"; "property development"; "building project management"; and "building and construction of real property". Instead,
D the learned judge was embarking on a wrong enquiry of whether the Plaintiff and the Defendant were engaged in the same business in determining the issue of trade mark infringement.

...

E (71) The Plaintiffs had also adduced evidence of actual confusion *vide* two emails from the public enquiring whether the Plaintiff and the Corporate Defendants are related (see pp. 1092 - 1095 Rekod Rayuan (Jilid 2C). The Plaintiffs answered to the queries from Venugopal and John Smith that the Plaintiffs' company is not related and not connected in any form or manner howsoever with the Corporate Defendants.

F ...

(73) The learned judge erred by disregarding the Emails and attaching no weight to them despite the Emails having been produced by the parties. The learned judge ought to critically examine the truth of their contents against the probabilities of the case and all of the evidence adduced before
G him.

(74) Based on the evidence shown, we agreed that the Plaintiffs has established all the elements constituting trade mark infringement under s. 38 of the TMA. We had no hesitation to find the Corporate Defendants to be held liable for trade mark infringement in respect of their use of the Infringing Name in the company names, domain name
H and project name.

...

(80) Besides what had been adduced by the Plaintiffs seen above, there the Plaintiffs had also adduced incontrovertible evidence in establishing that the legitimacy of the Sky World City Sabah project is suspect *inter alia*
I the police are investigating the developer's activities believed to be a fraud as the Sky World City Sabah project was reported as being a "property investment syndicate" which had "no approval to undertake and market the project.

(81) We agreed with the Plaintiffs that the Defendants are not genuine traders and are in fact tortfeasors attempting to ride on the Plaintiffs' goodwill in the SkyWorld Names and Marks. The Defendants have used the infringing names and Mark to prey on unsuspecting investors to invest in a project that was not approved by the relevant authorities. In this regard, the learned judge had erred in failing to appreciate the above crucial evidence adduced when dismissing the Plaintiffs' claims.

[29] On passing off, although the Court of Appeal found that there was ample evidence to show that the plaintiffs do possess the requisite good work and reputation, and that misrepresentation was established, the Court of Appeal found there was no evidence that the plaintiffs have suffered any loss or damage caused by the defendant. These findings can be found in particular in paras. 87 to 89 and 96 of the Court of Appeal's ground of judgment as follows:

(87) In passing off, the protection provided by the law is not only limited to the Plaintiffs' registered marks but rather it extends to the goodwill in the Plaintiffs' business and trade (*Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia* (*Pendaftar Cap Dagangan Malaysia, interested party)* [2015] 6 MLJ 465, FC at page 475 (para. [23)).

(88) The learned judge failed to appreciate that the Plaintiff claim in passing off stems from the Corporate Defendants' adoption of the SkyWorld Names and Marks, and not only confined to the SkyWorld Registered Trade Marks *per se*. It is trite law that a claim in passing off can be grounded on the defendant's misrepresentation arising from the use of a confusingly similar corporate or trade name (*Revertex Ltd. & Anor v. Slim Rivertex Sdn. Bhd. & Ors* [1991] 1 MLJ 508 at page 511)).

(89) Based on the aforesaid, we found that learned judge erred in law and in fact when he held that the Plaintiffs have not acquired such well-known reputation or goodwill which is connected with their property development business" despite concluding that the Plaintiffs' "promotional efforts seem sufficient to confer the requisite reputation and goodwill ..." It is trite that there is no requirement that the Plaintiffs' goodwill must be well-known. The Plaintiff is only required to show that the business identifiers (in this case the SkyWorld Names and Marks) are distinctive of the Plaintiffs (*White Hudson & Co. v. Asian Organization Ltd.* [1965] MLJ 186, PC at 188). In this case the Plaintiffs have acquired the requisite and sufficient goodwill in the SkyWorld Names and Marks through their extensive and substantial advertising and promotional activities and investments (*Mesuma Sports Sdn. Bhd. v Majlis Sukan Negara Malaysia (Pendaftar Cap Dagangan Malaysia, interested party)* [2015] 6 MLJ 465, FC at 489 (para. [75])). We found the learned judge failed to sufficiently appreciate the following evidence which goes to prove that the Plaintiffs do possess the requisite goodwill and reputation at all material times:

(i) the Plaintiffs have expended huge sums of investment, totalling about RM22.295 million (for three years) for their promotional and marketing activities since their inception;

A (ii) the Plaintiffs promote their business and property development projects in Malaysia through the use of their website, social media accounts, emails, SMSes, electronic direct mailers, newsletter, newspapers and magazines, radio, emails, SMSes, electronic direct mailers, newsletters, newspapers and magazines, radio, brochures and catalogues;

B (a) the estimated gross development value ("GDV") of the Plaintiffs' property development projects through the use of and by association with the SkyWorld Names and Marks are substantial; and

C (b) the Plaintiffs have received numerous international and national awards and accolades in recognition of their outstanding service and high-quality developments during the span of four years.

...

D (96) In the present case, the Corporate Defendants would be considered as engaging in a business that is of an "allied field" (namely, property development for tourism purposes) as that of the Plaintiffs' business and therefore their use of the infringing names and Marks would inevitably amount to a misrepresentation, in other words, the Defendants and Plaintiffs are in competition with one another, therefore damages are E readily inferred. However, we found there is no evidence that the Plaintiffs have suffered any loss or damage caused by the Defendants. The Plaintiffs have not shown that Defendants were associated with the plaintiffs in any way. The Defendants formed their companies for their tourism project in Sabah and plaintiffs are already selling their residential and commercial lots to the pubic in the Klang Valley, in this context, the F learned judge did not err in holding that that Plaintiffs did not suffer any damage.

[30] Dato' Ghazi, learned counsel for the defendants submitted that the Court of Appeal erred when it said that the purported infringing names are visually similar to the SkyWorld registered trademarks contrary to the G findings of fact of the learned High Court Judge that they are only aurally similar. He said, there was no reason given by the Court of Appeal for saying so. The learned High Court Judge had compared the respective marks and was not satisfied that the word "SkyWorld" phonetically *per se* is the essential or striking feature of the plaintiffs' marks.

H **[31]** Learned counsel for the defendants also submitted that the Court of Appeal had also erred when it said that the High Court Judge had disregarded the said two e-mails from Venugopal and John Smith when, in para. 38 of his grounds of judgment, the learned High Court Judge had clearly explained why he found the e-mails dubious.

I **[32]** Learned counsel for the defendants further submitted that if the court found there was no infringement by the defendants, then the court should also find there is no passing off as there is no element of confusion, hence no

misrepresentation. He contended that the defendants' activities were only on theme park in Sabah when the plaintiffs were housing developers in the Klang Valley.

[33] Mr Teo, learned counsel for the plaintiffs submitted that the Court of Appeal was correct in reversing the decision of the High Court. He said the Court of Appeal had in its grounds of judgment, gone through the requirement to establish infringement and painstakingly went through the principles and even alluded to cases in the common law jurisdiction. In his written submissions, the plaintiffs cited cases decided by the courts in Malaysia, Singapore, Australia, United Kingdom and India to support their argument that it is trite that the use of any essential features of a reported mark as part of a company and/or domain name could and would amount to trademark infringement. Those are similar cases cited by the Court of Appeal in para. 76 of its ground of judgment. We feel it is beneficial to reproduce those cases as cited by learned counsel for the plaintiffs thus:

> (60) In Malaysia, in *Mutiara Rini Sdn. Bhd. v The Corum View Hotel Sdn. Bhd. (previously known as The Curve Hotel Sdn. Bhd.)* [2016] 7 MLJ 771, the High Court allowed the plaintiff's application for summary judgment against the defendant for trade mark infringement and passing off in respect of the defendant's use of the plaintiff's registered mark, 'The Curve Hotel Sdn. Bhd.'.
>
> > [17] Thus, the facts clearly show that the defendant has used the said trademark 'The Curve' without the consent of the plaintiff. The defendant has used the mark as part of the business name of the defendant and the same was used in the course of the hotel business of the defendant. Therefore, all the elements of infringement have been satisfied.
>
> See also *Syarikat Wing Heong Meat Product Sdn. Bhd. v. Wing Heong Food Industries Sdn. Bhd. & Ors* [2010] 7 MLJ 504 at [86].
>
> (61) In another case of *Telekom Malaysia Berhad & Anor v. CA Multimedia Sdn. Bhd. & Ors* [2019] MLJU 1664, it was held that the defendant's domain name www.tmpoint.com had infringed the plaintiff's trade mark 'TMPOINT'.
>
> (62) In Singapore, in *Clinique Laboratories, LLC v. Clinique Suisse Pte. Ltd. And another* [2010 4 SLR 510, the defendants were found liable to trademark infringement in respect of their use of the registered mark QLINIQUE' in *inter alia* (i) the 1st Defendant's company name Qlinique Suisse Pte. Ltd.'; (ii) the trading name QLINIQUE SUISSE'; and (iii) the domain name www.cliniquesuisse.com.
>
> (63) In Australia, in *Insight Radiology Pty. Ltd. V Insight Clinical Imaging Pty. Ltd.* (2016) 122 IPR 232, it was held that Insight radiology Pty Ltd.'s use of the composite
>
> mark ' inSight as part of *inter alia* its corporate name amounted to trade mark infringement.

A See also *Flexopack SA Plastics Industry v. Flexopack Australia Pty. Ltd.* (2016) 118 IPR 239 at 623 (paras. [142] and [145] and 624 (para. [148]).

(64) In the United Kingdom, in *The Eastman Photographis Materials Company, Ltd. v. The John Griffiths Cycle Corporation Ltd*. and the *Kodak Cycle Company Ltd.* (1898) 15 RPC 105, the English court granted an injunction
B to restrain the defendant from using the plaintiff's 'KODAK' mark as part of its company name.

(65) In India, in *Ellora Industries v. Banarsi Das Goela and Ors* AIR 1980 Delhi 254, it was held that the defendant's use of the trade name 'Ellora Industries' had infringed the plaintiffs' registered trade mark 'ELORA'

C > 43. ... The plaintiffs' trade mark 'Elora' is the core or the essential part of the defendants' trading style "Ellora Industries".
>
> ...
>
> Thus "E[ll]ora Industries" is an 'infringing designation', a misleading name and its use must be restrained by injunction so
D that the competitor is prohibited from gaining an unfair advantage by confusing potential customers.

Also refer:

(a) *Poddar Tyres Ltd. vs Bedrock Sales Corporation Ltd.* AIR 1993 Bom 237 at [45] & [46].
E
(b) P Narayanan, *Law of Trade Marks and Passing Off*, 6th Edition, pages 559-560.

[34] On passing off which relates to question 2, learned counsel for the plaintiffs submitted that the defendants' use of a name that is identical to the
F plaintiffs' name would amount to passing off. He contended that there is no need to answer question 2 as it will not advance the jurisprudence on the tort of passing off as it is a well-established principle of passing off that parties need not be engaged in the same business activity.

[35] We gave due and careful consideration to the submission of the
G parties, both oral as well as written. The law on trademarks is quite settled. As submitted by learned counsel for the respective parties, there are a plethora of cases on what to look for in order to show infringement of a trade mark under s. 38 of Act 175. Parties in this case were not in dispute in as to the ingredients that need to be proven; especially that the plaintiffs must
H own the trademark and that the defendants have used a mark that is so identical or so nearly resembling the plaintiffs' trademark, which act is likely to deceive or cause confusion to the customer.

[36] In this appeal before us, the purported infringement was not caused by the defendants' use of the offending mark in their products or business; but
I instead in their corresponding names. So, in this appeal before us, the plaintiffs alleged that the defendants' corporate names and web domain name are infringing, as they resemble the plaintiffs' registered trademark to the extent that it is likely to deceive or cause confusion to the customer.

[37] The learned High Court Judge was of the view that the marks have to be compared as a whole, both audibly and visually. His Lordship based his view on the of *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd* [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344; [1992] 2 MLJ 63, wherein the Supreme Court had adopted the following test laid down by Parker J in *Re Pianotist Co's Application* (1906) 23 RPC:

> The 'tests' which Wan Adnan J was referring to were contained in Parker J's judgment in *The Pianotist Co. Ltd.* in the following terms:
>
> > You must take the two words. You must judge them, both by their look and their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those marks are used in a normal way as a trade mark of the goods of the respective owners of the marks.
>
> In the instant case, the learned trial judge has found that 'there are two features of the two marks which are similar, namely, red in colour and split in wording'. However, having regard to the totality of the circumstances of the case, the learned judge was apparently satisfied that:
>
> > There is no similarity between the two words 'MISTER' and 'SISTER' as to be likely to cause deception or confusion. The word are different. There is similarity in the second syllable but as a whole the similarity is not close enough as to be likely to cause deception or confusion. Further, the get-up of the intervener's product is green background colour with the picture of a lady whereas the get-up of the applicant's product is white-blue-grey background colour with the picture of a lady and a man.

[38] That was what we found the learned High Court Judge did. He examined the plaintiffs' marks and found on the "stylish verbal marks visually comprising of the word SkyWorld (specifically with letters "s" and "w" spelt in uppercase letters) with a stroke underneath the word "sky" together with the phrase "design and experience". The other mark has the same characteristic, but with an additional four Chinese characters underneath the phrase "design the experience". Even though he found the defendants' corporate name and domain name with the plaintiffs'' registered trademarks arising from the word "skyworld" audibly similar, principally he found that visually they are different; because "the defendants' corporate names in their business documents as well as their website domain name used the word "skyworld either wholly in uppercase or lowercase but not in mixed uppercase and lowercase as in the plaintiffs'". See again paras. 31 and 32 of the learned High Court Judge's ground of judgment.

[39] Whether there is similarity in the marks audibly and visually, is a finding of fact. It is trite that an appellate court rarely intervenes or reverses a trial judge's findings of fact unless it can be shown that the trial judge is plainly wrong or his findings are unjust because of a serious procedural or other irregularity in the proceedings in the lower court. See the decision of this court in *Ng Hoo Kui & Anor v. Wendy Tan Lee Peng, Administrator Of The Estates Of Tan Ewe Kwang, Deceased & Ors* [2020] 10 CLJ 1.

[40] The plaintiff placed great emphasis on the fact that the Court of Appeal had found there were similarities or resemblances not only aurally, but also visually on the corresponding marks. But where was the reason of the Court of Appeal to come to such conclusion that visually they resembled each other? The burden of proof was on the plaintiffs, but this was in our view, not discharged. Instead, in this appeal, we found the learned High Court Judge had vividly explained the reasons why he reached the finding that there was no similarity or resemblance between the defendants' corporate name and domain name and the plaintiffs' registered trade marks. We found the Court of Appeal erred when it reversed the findings and the decision of the learned High Court Judge and substituted those findings with their own. This was not a harmless error as the findings of the Court of Appeal were not supported by any reasons or adequate reasons.

[41] Upon examining the appeal records and the submissions of the parties, we were satisfied that for infringement under sub-s. 38(1), the learned High Court Judge was correct to conclude that apart from an oral resemblance between the registered trademark and the corporate and domain name, there was no real resemblance. Sub-section 38(1) of the Act 175 requires that a mark must be identical with or so nearly resembling the registered mark, in order to satisfy the element of infringement. See *Low Chi Yong (supra)* and *Consitex SA* (*supra).*

[42] As for the elements of confusion or deception, we are not convinced that the trial judge was plainly wrong in refusing to consider the two emails from an evidential point of view. The findings of the learned High Court judge on these two emails can be seen in his ground of judgment, para. 38, thus:

> 38 ... I am nonetheless aware that the Plaintiffs have adduced two emails from a Gopal and a John Smith in attempting to show that the public was actually confused. The email from Gopal reads as follows:
>
> > I read your notice in the SUN Daily paper today stating it is false news on the ownership in the land in Sabah for tourism project. Can you clarify if you are going to develop the land in Sabah for tourism project, building all world attractions in miniature scale and you are providing e-shares for the investors? Thank you "and the email from John Smith reads as follows:
> >
> > What's your relationship with Skyworld Holding Sdn. Bhd.

> Both Gopal and John Smith were not called as witnesses at the trial and I may accordingly draw any reasonable inference from the circumstances relating to the document including the manner and purposes of its creation as well as accuracy pursuant to s. 90B of the Evidence Act 1950. In this regard and as submitted by the Defendants, I find the emails dubious. This is because the emails are perfunctory and without disclosure of their relationship with the Plaintiffs. They appear to me to be merely two busy-bodies. Accordingly, I discarded both emails, in any event, if the Plaintiffs had intended to show there was actual confusion, it would have in my view been more cogent for the Plaintiffs to appoint an independent consultant to undertake a market survey and analysis of the state of affairs relating to confusion based on an adequately acceptable sample size.

[43] Even if those emails are taken into evidence it appears to us that they do not comprise adequate evidence of confusion, far less deception because they are merely queries by unidentified persons. The need for the presence of the maker in this case is because it is difficult for the court to verify the authenticity of the writer or his complaint or query. As they were mere queries can it be said that this amounts to confusion? In the instant case, it must be borne in mind that the test requires the average discerning consumer to be confused not a 'moron in a hurry'. This is particularly so where these entities deal with the purchase of land which cannot be equated with purchasing cosmetics or items from a grocery store. Therefore, the element of confusion is not easily established and is not present in the instant case. The trial judge was not plainly wrong in his conclusion.

[44] In our view, whether there was confusion or deception is entirely a matter for the judgment of the court and not that of the witnesses, after considering the evidence of surrounding circumstances. It is always a question of fact to be determined by the court. *See Yang Sze Fun & Anor (t/a Perindustrian Makanan & Minuman Layang-layang)* (*supra*).

[45] Even though we agreed that the law is quite settled that there can still be infringement even if the business carried out by a defendant is not a related business, based on the above, we were not satisfied that the Court of Appeal was correct in reversing the finding and arriving at a conclusion of infringement. We were of the view that the decision of the learned High Court Judge was correct that there was no trademark infringement as the trademarks were not identical or so nearly resembling each other, as they differed visually to a great extent. We were of the view there was no likelihood of confusion or deception in the course of trade in relation to the marks.

[46] Earlier on, we explained the elements of passing off. Passing off arises when there is misrepresentation and harm to a plaintiff's existing product. Misrepresentation will definitely create confusion or deception. In this appeal, it follows that as neither the elements of confusion or deception were established, we, therefore, held that passing off was also not made out.

A

Conclusion

[47] For the reasons stated above, we, therefore, answered question 1 in the negative. As question 1 was answered in the negative, there was no necessity to answer questions 2 and 3 as those questions were only relevant if the answer to question 1 was in the affirmative. We, therefore, declined to answer questions 2 and 3.

B

[48] Consequently, we unanimously allowed the appeal with costs and reinstated the decision of the High Court. We awarded costs of RM100K to the appellants subject to allocator here and below.

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